

EXECUTIVE OFFICE OF THE PRESIDENT

Mr. Spring

OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DATE: December 9, 1970

REPLY TO
ATTN OF:

SUBJECT: Federal-aid Highway Act of 1970

- The Record

On December 8, I met with the minority House conferees on the provisions of the 1970 Federal-aid Highway Act.

Prior to this meeting, the conferees had agreed to the following items:

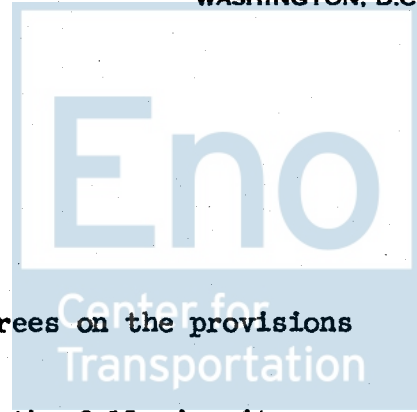
- 70/30 matching ratio for ABC program
- Beauty was a non-negotiable item for both sides
- Trust fund financing would be provided for forest highways, public lands highways, two-thirds of the highway safety programs, the bridge replacement program and economic growth center highways
- The regional transportation commissions (Senate provision) would be eliminated
- The Interstate authorization for 1978 of \$3.5B would be eliminated

At the meeting, Mr. Harsha offered to make the following additional concessions to the Administration:

- Eliminate separate 1972 and 1973 authorizations for the new Urban System. The new System would be established, however, we assume that this offer means that the House will accept the Administration proposal to use the present Federal-aid urban extension (System "C") authorizations to fund projects on the new Urban System. Dollar effect of this proposal .. -\$400M
- Eliminate the 1973 authorization for the bridge replacement program. Dollar effect -\$150M
- Eliminate the High Hazard Location (spot improvement) authorizations for 1972 and 1973. Dollar effect -\$400M
- Reduce the Economic Growth Center Highways authorizations for 1972 and 1973 by \$25M per year (to new amount of \$75M per year). Dollar effect -\$50M
- Total dollar effect of these proposals -\$1,000M

After considering the offer of the conferees, it was decided that the Administration required additional concessions before approval of the Act could be recommended. These requirements are as follows:

- Reduce the proposed 70/30 matching ratio to a 2/3 - 1/3 ratio, as in the Urban Mass Transit program



- With regard to D.C. highways, delete both House and Senate provisions and revert back to the 1968 Act requirement
- Eliminate the 1977 authorization of \$4B for Interstate System
- Adopt language for the Beauty program that authorizes the Administration program without trust fund financing. Agree to the House provision for a Beauty Commission to study the program and require that the Commission make a recommendation on financing (trust fund vs. general fund)
- Delete the \$25M authorization for the D.C. Palisades Parkway

These additional requirements were transmitted to the House minority conferees by DOT on December 8.

After proposing the above concessions, the following items in excess of the Administration's request would remain in the Highway Act.

-- Bridge replacement (1971 and 1972)	+\$300M
-- Economic growth center highways (1972-73)	+ 150M
-- Alaska Assistance (1972-73)	+ 40M
-- Baltimore-Washington Parkway	+ 65M
-- Additional Interstate (1972-73)	+ 110M
-- Indian roads (1972)	+ 30M
-- Park roads (1972)	+ 30M
-- Safety specifically for FHWA (1972-73)	+ 50M
	<u>+\$775M</u>

There are also the following unrequested authorizations which will be included in the Act at some level between the high and low.

	<u>Low</u>	<u>High</u>
-- Territorial Highways (1971-72-73)	+\$ 6M	+\$18M
-- Parkways (1972-73)	+ 22M	+ 40M
-- Public lands development roads (1972-73) .	+ 2M	+ 10M

On December 9 Mr. Harsha requested further guidance. He said he was unable to change the 70/30 share and would change the House language on D.C. freeways to require study only with no strings on the subway. He had achieved agreement on the other items we had proposed. John Volpe agreed to these changes. I told Harsha, through Bill Casselman, that I would not recommend veto with these changes but could not commit Mr. Shultz since there wasn't time to run the items by him.

(5)
 Donald B. Rice
 Assistant Director